

And further. When Mr. Ketchum went to London with the acts of incorporation and subsidy, Mr. Mackenzie said in the House he would, no doubt, obtain the capital with the guarantee of the Canadian Government—a conditional guarantee—that the Company would on completion of the railway receive the subsidy.

That the Government was connected with the Company in a promoting sense was stated by the Rt. Hon. Sir Richard Cartwright in the House on the 29th May, 1891, when a question relating to the Company was before it. He then said:

"If the scheme proves a failure, I have no doubt the credit of the Dominion will be, pro tanto, injured, and very largely so from the fact that the Government has associated themselves with this railway."

The above statement is both clear and true. The promotion was done by the Government. No one in England took any part whatever in originating the enterprise. We did not seek the business, it was pressed on us by the Government, until we were unfortunately induced to supply the money.

When the question was brought before the House by Mr. Logan on the 10th June, 1903, Mr. Fielding said:

"This Government took the ground that whatever might be said in favour of the scheme in earlier days—and I do not wish to go into that—it was now pretty well admitted by business men that the scheme was not a sound one, and therefore we felt that we should not give it a new lease of life in order that other people might be induced to put money into it and throw good money after bad. **That left the question of compensation** and from that day to this that question has been pressed on the attention of the Government, but up to a recent date the sums mentioned, which they considered proper compensation, were so very large that they did not seem to come within reasonable limit, and we did not feel like presenting the matter to Parliament."

Here Mr. Fielding states distinctly that when they refused to vote the subsidy "that left the question of compensation" to arrange, and nothing more. I therefore earnestly appeal to you to agree on some way of settling the amount.

Mr. Fielding also says that the Government did not revoke the subsidy to the railway in order to protect "other people who might be induced to put money into it," but this refusal ruined the Company whose money was already in it, and which a revoke would have saved. The refusal to revoke the subsidy was not a disinterested act, for by doing so the Government kept the \$3,500,000 which would have been due to the Company on completing and operating the railway.

It is impossible to conceive a stronger case for equitable and generous treatment, more particularly in view of the fact that the Company